

ACG 2018 Raleigh Durham's Capital Conference Wrap-Up:

Keynote from Morgan Creek Capital's Founder Mark Yusko "Blockchain is 'biggest revolution' in our lifetime"

This is the last in a series of articles summarizing the key ideas of the [2018 Capital Conference](#). See previous articles on [our website](#).

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[Mark Yusko](#), founder, CEO and Chief Investment Officer of Chapel Hill-based [Morgan Creek Capital](#), woke up attendees at the 2018 Association for Corporate Growth Raleigh Durham chapter's 2018 Capital Conference with some investment returns.

Oil and gas, he pointed, out had risen about 12.5 percent in the last year. Gold did better — up about 13 percent. And stocks were even stronger, rising 21 percent. But those returns are nothing compared to cryptocurrency returns.

The value of [Bitcoin](#), the first and best-known cryptocurrency, grew 1,024 percent — increasing its value 10-fold in just a year. [Ethereum](#), another well-known digital currency, grew by an astounding 9,300 percent in the year.

Yusko pointed out the obvious to the audience: 9,300 percent is more than 21 percent — a lot more.

“What is going in blockchain, cryptocurrencies are the biggest revolution — evolution — that you will see in our lifetime,” he said. “[It’s] so big we really can’t comprehend it.”

And it’s not just the extraordinary returns that some cryptocurrencies are providing, Yusko said. It’s the impact that cryptocurrencies and blockchain technologies will have on range of industries and economic transactions, from banking and law to international trade.

“Financial services executives call it a fraud. ... Why would banking executives say this a fraud?” he asked rhetorically. “[Because] they’re going to be disrupted.”

That's because blockchain technologies allow two entities — people or companies — to establish enough trust to conduct transactions, such as buying and selling, without a trusted, authoritative institution like a bank in the middle. It allows money to flow as easily as information from one person to another, across borders — and it allows real assets, such as real estate, to be digitized.

“Why does it take three days to settle a stock transaction?” he asked. “Because the people who get paid really like that.”

With blockchain technologies, such transactions could be nearly instantaneous and wouldn't require a third party. “It can simplify things, it can cut costs, it can increase efficiencies,” he said.



Yusko is so confident in the potential value of blockchain technology that his company [recently acquired Full Tilt LLC](#), a Raleigh-based investment fund focused on the sector. With Morgan Creek's backing, they hope to raise as much as \$500 million to invest in blockchain companies.

Bitcoin and other cryptocurrencies have attracted critics because the currency is “mined” by having computers execute complex, mathematical code. Those mining operations have reached the point where, according to some reports, Bitcoin mining consumes as much power as the entire country of Denmark.

“Gold mining uses 60 times more energy than Bitcoin. Banking uses 1,000 to 3,000 times more energy,” he said. “It's just stupid FUD [fear, uncertainty and doubt] to get you to not be excited about this technology.”

He also dismissed concerns that cryptocurrencies are used primarily by “bad guys” — terrorists, drug dealers, child pornographers and the like. “The No. 1 source of funding for terrorist? U.S. freaking dollars - counterfeit ones,” he said. “You cannot do that with Bitcoin.”

However, he did say that the excitement around the technology means that many investors and companies will jump into it but ultimately fail. “This is just starting,” he said. “We are just entering the frenzy phase.”

Around 2024, Yusko said, the blockchain-fueled “Internet of value” will begin, powered by ever-increasing computing power that's constantly connected to the Internet.

“Everything of value from currency to homes to business and equity is going to go over [Internet protocol],” he said.



That will create tremendous opportunities, generating new businesses and new jobs.

“We’re building the future,” he said. “Let’s get more people involved in engineering, more people who know how to code.”

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